Supreme Court, U.S.
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No. 98-2004

IN THE
Supreme Court of the United States

RINGLING BROS.—BARNUM & BAILEY COMBINED SHOWS, INC.,
Petitioner,

v.

UTAH DIVISION OF TRAVEL DEVELOPMENT,
Respondent.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Fourth Circuit

BRIEF FOR RESPONDENT IN OPPOSITION

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QUESTIONS PRESENTED

1. Whether there is a conflict between the Fourth Circuit and other federal courts of appeals regarding an element of proof under the FTDA.

2. Whether it is error to require an FTDA claimant to prove "an actual lessening of the senior mark's selling power, expressed as 'its capacity to identify and distinguish goods or services.' "

3. Whether a jury demand under the FTDA is properly stricken where the claimant has failed to prove "wilful intent" and seeks only injunctive relief.

PARTIES TO THE PROCEEDING AND RULE 29.6 LISTING

All parties to this proceeding are listed in the caption of the case. Respondent Utah Division of Travel Development is a division of the State of Utah. Respondent has no non-wholly-owned subsidiaries.

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OPINIONS BELOW

The opinion of the court of appeals (Pet. App. 1a-36a) is reported at 170 F.3d 449. The opinions of the district court (Pet. App. 37a-93a) are reported at 955 F. Supp. 605, 955 F. Supp. 598, 935 F. Supp. 763.

JURISDICTION

The judgment of the court of appeals was entered on March 16, 1999. Pet. Ap. 1a. The jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1).

STATUTORY PROVISIONS INVOLVED

Section 43(c) of the Lanham Act, 15 U.S.C. § 1125 (c) (1998), provides in pertinent part:

> (c)(1) The owner of a famous mark shall be entitled, subject to the principles of equity and upon such terms as the court deems reasonable, to an injunction against another person's commercial use in commerce of a mark or trade name, if such use begins after the mark has become famous and causes dilution of the distinctive quality of the mark . . .
>
> (2) In an action brought under the subsection, the owner of a famous mark shall be entitled only to injunctive relief unless the person against whom the injunction is sought willfully intended to trade on the owner's reputation or to cause dilution of the famous mark. If such willful intent is proven, the owner of a famous mark shall also be entitled to the remedies set forth in sections 35(a) and 36, subject to the discretion of the court and the principles of equity.

Section 45 of the Lanham Act, 15 U.S.C. § 1127, provides in pertinent part:

> The term "dilution" means the lessening of the capacity of a famous mark to identify and distinguish goods or services, regardless of the presence or absence of—
>
> (1) competition between the owner of the famous mark and other parties, or
>
> (2) likelihood of confusion, mistake, or deception.

STATEMENT

A unanimous three-judge panel of the Fourth Circuit Court of Appeals affirmed the district court's judgment holding that Respondent's mark does not cause dilution of Petitioner's mark under the Federal Trademark Dilution Act of 1995 (FTDA), and affirmed the order striking Petitioner's jury demand.[1] The Fourth Circuit construed

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[1] After the Petition was filed, this Court decided *College Savings Bank v. Florida Prepaid Postsecondary Education Expense Bd.*, 67

the FTDA according to its terms and as understood by the courts and the parties. The FTDA is separate and distinct from other Lanham Act enactments and includes a requirement that a claimant prove a lessening of the senior mark's selling power, expressed as "its capacity to identify and distinguish goods or services." 15 U.S.C. § 1127. *See Clinique Labs., Inc. v. Dep Corp.*, 945 F. Supp. 547, 562 (S.D.N.Y. 1996) ("[B]lurring is concerned with an injury to the mark's selling power.").

The Fourth Circuit's decision is not in conflict with the decisions of other courts of appeals and its standard for dilution has been approved by all five federal judges who have considered it. The decision, moreover, is correct. Plaintiff's survey failed to establish dilution, and Plaintiff's proffer of evidence was insufficient to establish the "willful intent" necessary to warrant a trial by jury. For these reasons the decision of the Fourth Circuit should not be reviewed by this Court.

The dilution statutes of the states generating the bulk of pre-FTDA dilution cases, New York, Illinois and California, as well as others, required a claimant to prove only a "likelihood of dilution." *See* note 15, *infra.* In contrast, the FTDA requires a claimant to prove that "another person's commercial use . . . of a mark . . . causes dilution" of the senior mark[2] by "lessening the

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U.S.L.W. 4590 (U.S. June 23, 1999), which held that "the federal courts are without jurisdiction to entertain [a suit for false advertising and violation of business interests under 15 U.S.C. § 1125] against an arm of the State of Florida." *Id.* at 4597. Though it has not previously been argued in this case, Respondent also urges the Court to deny Petitioner's request to review the circuit court's decision under 15 U.S.C. § 1125(c) on the alternative ground that Respondent, an arm of the State of Utah, is immune from suit in the federal courts under the doctrine of *College Savings Bank.*

[2] 15 U.S.C. § 1125(c)(1) (1998).

capacity of a famous mark to identify and distinguish goods or services." 15 U.S.C. § 1127.

The House report on the FTDA indicates that the FTDA is designed to encompass "all forms of dilution recognized by the courts," not all theories, and the only one of the four forms listed at issue in this case was the general category of "blurring." Pet. App. 5a, 50a. Adoption of all of the theories of dilution would have been impossible, inasmuch as "there is considerable disagreement [in the state courts] on the basic elements of dilution." David S. Welkowitz, *Reexamining Trademark Dilution*, 44 Vand. L. Rev. 531, 547 (1991). *See also* H.R. Rep. No. 104-374 at 2-3 (1995) ("court decisions have been inconsistent" and "dilution varies from state to state").

Considerably less than a majority of the nationwide respondents to Ringling's survey filled in the blank in "THE GREATEST ———— ON EARTH" with the word "SHOW," to form the phrase of Petitioner's mark. Forty-one percent did so. C.A. App. A-305. For perspective, McCarthy writes that "a mark should not be categorized as 'famous' [for FTDA purposes] unless it is known to more than 50 percent of the defendant's potential customers." J. Thomas McCarthy, *McCarthy on Trademarks & Unfair Competition* § 24.92 (4th ed. 1999).

Respondent began using THE GREATEST SNOW ON EARTH to advertise its winter sports as early as 1962 and "has consistently used, and continues to use, the mark THE GREATEST SNOW ON EARTH to promote winter tourism in the state of Utah." Pet. App. 42a-43a. Utah has never used its mark in connection with, or in the context of, a circus. *Id.* at 44a. The de minimus use of Utah's mark on hats and shirts (C.A. App. A-74) was conceded by Petitioner to be beyond

remedy: "[W]e believe that the defendants would have the right, based on their prior use before the statute, to certain activities that they have proven. . . . [F]or the last three years they have used it on hats, t-shirts and sweatshirts . . . ." (App. 1a-2a, Trial Tr. Vol. II at 77-79.) A three-member panel of the U.S. Trademark Trial and Appeal Board rendered a unanimous 16-page decision on December 13, 1995, granting Utah the right to register its mark and dismissing Petitioner's opposition. Pet. App. 42a.

The district court did not state its holding in terms of Petitioner's not having "proved that Respondent's use of its junior mark caused actual economic harm to the selling power of Petitioner's famous mark." Pet. 10 (citing the district court's opinion at Pet. App. 55a). Rather, the district court held that Petitioner's evidence does not "demonstrate by a preponderance of the evidence that Utah's mark lessens the capacity of the famous mark . . . to identify and distinguish" Petitioner's circus. Pet. App. 67a.

The district court held that Petitioner's survey did not prove dilution. The survey asked respondents first, "What word or words would you use to fill in the blank and complete" the blank phrase THE GREATEST _____ ON EARTH?, and second, "Who or what, if anything, do you associate the now completed statement with?" C.A. App. A-300. All persons who filled in the blank with SHOW associated the completed slogan with the circus and/or Ringing Bros. Barnum & Bailey. C.A. App. A-305. All persons who filled in the blank with SNOW associated the completed slogan with Utah. *Id.* Thus, no person who completed the blank phrase with SHOW, to then make it Petitioner's slogan, associated that Ringling slogan with Utah, Utah's mark or Utah's

product. And no person who completed the blank phrase with SNOW, to then make it Respondent's slogan, associated that Utah slogan with Ringling, Ringling's mark or Ringling's product. *Id.* At the least, these results show no consumer association of the mark of defendant with the mark of plaintiff, the first requirement of dilution.

Also according to Ringling's survey, "[i]n Utah, 46% of respondents completed the statement with the word SHOW and associated it in some way with the circus," compared to 41% of the general U.S. respondents outside of Utah who did so. *Id.* The Court observed that "[t]his is strong evidence of the absence of dilution, not the presence of it." Pet. App. 57a. The court concluded that the survey evidence failed to prove the existence of dilution under the terms of the Act that " 'dilution' means the lessening of the capacity of a famous mark to identify and distinguish goods and services." 15 U.S.C. § 1127.

The fact that in Utah "21% of respondents filled in SHOW and SNOW and correctly associated the marks with the circus and Utah respectively" does not prove dilution, said the court. Pet. App. 57a. "Rather it reflects that respondents had no difficulty keeping the two marks separate in their minds in terms of the goods and services each mark identifies and distinguishes." *Id.*[3] The

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[3] This was not the first time a federal court had rejected the errant propositions of Petitioner's expert, Michael Rappeport. *See Indianapolis Colts v. Metro. Baltimore Football*, 34 F.3d 410, 415 (7th Cir. 1994) (R. Possner, J.) ("Both parties presented studies. The defendants' was prepared by Michael Rappeport and is summarized in a perfunctory affidavit by Dr. Rappeport to which the district judge gave little weight. That was a kindness. The heart of Rappeport's study was a survey that consisted of three loaded questions asked in one Baltimore mall. Rappeport has been criticized before for his methodology, *Jarrett Int'l, Inc. v. Promotion in Motion, Inc.*, 826 F.Supp. 69, 73-74 (E.D.N.Y. 1993), and we hope that he will take these criticisms to heart in his next court-

court's conclusion was not, as Petitioner writes, "that virtually none of the consumers surveyed confused the two marks" (Pet. 11), but rather that "the survey demonstrates that persons confronted with the famous mark associate it only with the Circus and do not associate that mark with Utah, with winter sports, or with any activities that are attributable to Utah's use of the GREATEST SNOW ON EARTH." Pet. App. 59a.

The Court of Appeals traced the development of the doctrine of dilution and set the instant case in perspective. The court's requirement that a claimant show an "actual lessening of the senior mark's selling power, expressed as 'its capacity to identify and distinguish goods or services' " (Pet. App. 19a), also expressed as "actual economic harm to the famous mark's economic value by lessening its former selling power" (Pet. App. 26a), tracked the FTDA and drew from settled dilution doctrine that "blurring is concerned with an injury to the mark's selling power." *Clinique Labs., Inc. v. Dep Corp.*, 945 F. Supp. 547, 562 (S.D.N.Y. 1996). The court supplied guidelines to claimants on how to prove their cases (Pet. App. 33a) and affirmed the district court's denial of Petitioner's demand for a jury. *Id.* at 33a-36a.

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room appearance."); *U.S. Shoe Corp. v. Brown Group, Inc.*, 740 F.Supp. 196, 200 (S.D.N.Y. 1990) ("[T]o say [as Dr. Rappeport's survey and affidavit say] that defendant's ads remind consumers of plaintiff's ads is very different from saying that they confuse consumers as to the source. Ads may be reminiscent of one another if they focus on similar claims about the products. It does not follow that they create confusion about the sources.")

ARGUMENT

I. THE FOURTH CIRCUIT'S REQUIREMENT OF PROOF UNDER THE FTDA IS NOT IN CONFLICT WITH THE DECISIONS OF OTHER FEDERAL COURTS OF APPEALS

Plaintiff's challenge is limited to one of several elements the court of appeals required a plaintiff to prove under the FTDA, i.e., "an actual lessening of the senior mark's selling power, expressed as 'its capacity to identify and distinguish goods or services.'" Pet. App. 19.[4] The Fourth Circuit's interpretation of the FTDA does not conflict with that of other courts of appeals.

I.P. Lund Trading ApS v. Kohler Co., 163 F.3d 27 (1st Cir. 1998) does not "expressly reject[] . . . the standard applied in this case." Pet. 13. First, the straw man Petitioner sets up is *I.P. Lund*'s quotation of comment of the district court, not a comment of the Fourth Circuit. *I.P. Lund*, 163 F.3d at 49. And the Fourth Circuit stated it did "not agree in every particular with the district court's interpretation." Pet. App. 7a. Therefore, *I.P. Lund* was not rejecting the standard of the Fourth Circuit. Further, the Fourth Circut never used the "lessening of demand" language of the district court Petitioner quoted.

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[4] The language Petitioner features at Pet. 13 is a fragmentary quotation of the Court's alternative expression of the standard as follows: "(3) actual economic harm to the famous mark's economic value by lessening its former selling power as an advertising agent for its goods and services." Pet. App. 26a. Though Petitioner attacks it throughout its petiiton, that expression and the expression of the Court's standard upon which Respondent focuses were both urged in essence by Petitioner itself in its brief to the circuit court, as follows: "Dilution by blurring is concerned with an injury to the 'value of a mark,' *Celozzi*, 855 F.2d at 484, or to put it another way, 'the mark's selling power.' *Clinique*, 945 F.Supp. at 562." App. 3a.

Moreover, the standard of the Fourth Circuit is confirmed by the *I.P. Lund* discussion. The central feature of the element of the Fourth Circuit standard Petitioner challenges is the language "lessening of its former selling power" (Pet. App. 26a, quoted at Pet. 13) or "an actual lessening of the senior mark's selling power, expressed as 'its capacity to identify and distinguish goods or services.'" Pet. App. 19a, quoted above. This requirement that a plaintiff prove a lessening of the senior mark's "selling power" is acknowledged by the First Circuit in its quotation of a scholarly source identifying as central, "whether a particular junior use will debilitate the selling power of a mark." *I.P. Lund*, 163 F.3d at 49 (quoting Kliegler, *Trademark Dilution: The Whittling Away of the Rational Basis for Trademark Protection*, 58 U. Pitt. L. Rev. 789, 826-27 (1997)). Thus, the Fourth Circuit's standard keying on an actual lessening of the senior mark's selling power is consistent with *I.P. Lund* from the First Circuit.

Likewise, there is no conflict between the Fourth and the Ninth Circuits. The reference in *Panavision Int'l., L.P. v. Toeppen*, 141 F.3d 1316 (9th Cir. 1998), to "general observations" (Pet. 14) of other cases is not a statement of a legal standard or holding. In fact, the only legal standard on dilution stated in *Panavision* is the court's citation of the statute. *Id.* at 1327. The court's holding was that defendant's "registration of Panavision's trademarks as his domain names on the Internet diluted those marks within the meaning of the Federal Trademark Dilution Act, 15 U.S.C. § 1125(c)." *Id.*

The *Panavision* court's generalized discussion implies its belief that defendant's conduct had actually diminished the capacity of the Panavision marks to distinguish goods and services through a lessening of their selling power,

and the court affirmed without criticism the district court's conclusion that defendant's conduct had diminished "the capacity of the Panavision marks to identify and distinguish Panavision's goods and services on the Internet." *Id.* at 1326. That is a standard entirely consistent with the standard of the circuit court in this case.

Nor does the Fourth Circuit's decision conflict with the Eighth Circuit's decision in *Luigino's Inc. v. Stouffer Corp.*, 170 F.3d 827 (8th Cir. 1999). The Eighth Circuit's discussion of dilution was brief and partial, and since the court held that claimant had not shown the required consumer association between the two marks, there was no need for it to go further and address the question of what damage to the senior mark is necessary to complete the occurrence of dilution. The court said that "[t]o succeed, [claimant] was required to offer evidence that [the alleged diluter] causes consumers to associate the [claimant's] mark with something other than [the claimant's product]." *Id.* at 833. But the court did not say that association of the marks is all that is necessary.[5]

The Fourth Circuit's decision is not in conflict with any Third Circuit decision. In *Jews for Jesus v. Brodsky*, 993 F. Supp. 282 (D.N.J. 1998), *aff'd mem.*, 159 F.3d 1351 (3d Cir. 1998), defendant used the mark and name of plaintiff "to lure individuals to his Internet site where he [made] disparaging statements about Plaintiff Organization." *Id.* at 307. The district court found dilution by "blurring" as well as by "tarnishment." This district court

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[5] The statement of McCarthy that Petitioner quotes at Pet. 16 addresses the association-of-the-marks aspect of dilution. However, Petitioner does not challenge that aspect of the Fourth Circuit's standard. Moreover, McCarthy apparently was unaware that the survey facts in this case establish that consumers do not associate Utah's mark with Ringling's mark. *See* STATEMENT, *supra*.

opinion employed an abbreviated approach for Internet abuse quite similar to that of the Ninth Circuit in *Panavision*. The response given above to Petitioner's discussion of *Panavision* is therefore applicable here. The Third Circuit affirmed only the result in *Brodsky*, the decision having been rendered without a published opinion.

Since *Wawa Inc. v. Haaf*, 40 U.S.P.Q.2d 1629 (E.D. Pa. 1996), *aff'd*, 116 F.3d 471 (3d Cir. 1997), applied the so-called Sweet factors, *Wawa* cannot correctly be said to have aligned itself in behalf of the Third Circuit with the First, Eighth or Ninth Circuits and against the Fourth Circuit, because the First, Eighth and Ninth Circuits, along with the Fourth Circuit, have all bypassed the Sweet factors and directly applied the Act. Also, the Third Circuit affirmed only the result in *Wawa*, the circuit court opinion not having been reported because of its lack of " 'precedential or institutional value.' " *Wawa*, 116 F.3d at 471.

More importantly as to the Third Circuit, there are two district court decisions from that circuit that do directly apply the FTDA and that adopt the Fourth Circuit's standard by express reference to it. *See World Gym Licensing, Ltd. v. Fitness World, Inc.*, No. Civ. PJM 97-3558, 1999 WL 301324 at *10-11 (D. Md. April 26, 1999) (closely paraphrasing the standard and then applying it) (acknowledged in the Petition at 19); *American Cyanamid Co. v. Nutraceutical Corp.*, No. Civ. A. 97-2018, 1999 WL 397723 at *11 (D.N.J. May 28, 1999) ("This Court is in agreement with the Fourth Circuit and adopts the standard enunciated by the court in Ringling.").[6]

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[6] The court quoted the Fourth Circuit's standard verbatim, including the challenged third element as follows: " '(3) an actual lessening of the senior mark's selling power, expressed as "its

Further, with regard to what the analytical framework should be, the court in *American Cyanamid* stated the following before it adopted the Fourth Circuit's standard: "This Court has been unable to locate any Third Circuit decisions taking a stand on this issue. Accordingly, the Court looks to other Circuits for their thoughtful guidance." *Id.* at *10, n.10. Thus, contrary to Petitioner's assertion, the Courts of the Third Circuit align themselves with the standard supplied by the Fourth Circuit in this case.

The Fourth Circuit's decision does not conflict with *Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Celozzi-Ettelson Chevrolet, Inc.*, 855 F.2d 480 (7th Cir. 1988). *Celozzi-Ettelson* applied not the FTDA but the Illinois dilution act, which consisted of terms different from those of the FTDA, and, significantly, included as a standard, "likelihood . . . of dilution,"[7] rather than the FTDA's requirement that a plaintiff prove that another person's use of a mark "causes dilution" of the plaintiff's mark by "lessening" its capacity. The "dilution is an infection" and "erosion" metaphors are colorful, but hardly the stuff of which legal standards are made. The Fourth Circuit did not reject the metaphors, but performed the legal analysis necessary to apply the FTDA as written. Finally, even in the context of the more plaintiff-accommodative Illinois act, *Cellozi-Ettelson* represents a high-water mark for ease of proof in a state dilution case in that it "most drastically" simply presumes actionable dilution from the identity or similarity of the marks. *See* App. 16a.

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capacity to identify and distinguish goods or services.'" *American Cyanamid*, 1999 WL 397723 at *11.

[7] *Id.* at 482.

In sum, the Fourth Circuit's decision does not conflict with decisions of other federal circuits by including in its standard a requirement that FTDA plaintiffs show "an actual lessening of the senior mark's selling power, expressed as 'its capacity to identify and distinguish goods or services,' " whether stated in this way or in the alternative way Petitioner has partially reported. *Compare* Pet. App. 19a *with* Pet. App. 26a.[8] There is clearly no need for this Court to review the challenged Fourth Circuit standard, which has been expressly adopted by the only other federal courts to consider it.

II. THE PETITION PRESENTS NO IMPORTANT QUESTION INASMUCH AS THE FOURTH CIRCUIT'S DECISION CORRECTLY FOLLOWS THE ACT AND PRESERVES THE VIABILITY OF PROPER CAUSES OF ACTION

The Fourth Circuit's decision not only creates no conflict in the circuits, but also outlines an appropriate framework for analysis. Indeed, all federal judges who have addressed the Fourth Circuit's standard have approved it.[9] This case raises no important question warranting the attention of this Court.

By its assertions that the circuit court was wrong to draw a "distinction between dilution under the FTDA

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[8] *San Francisco Arts & Athletics, Inc. v. United States Olympic Comm.*, 483 U.S. 522, 539 (1987), which Petitioner cites at Pet. 18, n. 12, is not a case involving the FTDA or even dilution. That case, identifying what Congress "could determine" in protecting the Olympics, has no bearing on what Congress did determine in the FTDA.

[9] Three Fourth Circuit judges expressed the standard and two district judges adopted it in *American Cyanamid Co. v. Nutraceutical Corp.*, No. Civ. A. 97-2018, 1999 WL 397723, *10, 11 (D.N.J. May 28, 1999), and *World Gym Licensing, Ltd. v. Fitness World, Inc.*, No. Civ. PJM 97-3558, 1999 WL 301324, at *10-11 (D. Md. Apr. 26, 1999).

and dilution under state law" and that "Congress drew directly on the existing judicial decisions interpreting state dilution law" (Pet. 23), Petitioner suggests that the FTDA is the same as the pre-FTDA state acts and that state law on dilution was uniform. In fact, the FTDA is significantly different from the typical acts the state cases had interpreted, as discussed below, and "there is considerable disagreement [in the state courts] on the basic elements of dilution." Welkowitz, *supra*, at 547. *See also* H.R. Rep. No. 104-374, at 2-3 (1995) ("court decisions have been inconsistent" and "dilution varies from state to state"). Moreover, in view of the "nebulous" nature of dilution,[10] and judicial recognition that a "broad reading of dilution would bring us close to the constitutional edge," [11] a court construing a dilution act is well justified in taking care "not to give it an overly broad application." [12]

Petitioner mistakenly assigns error to the circuit court for three alleged "flaws" in its reasoning. Pet. 21-22. First, in response, a central feature of the FTDA is its requirement that a claimant show that "another person's

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[10] *Sally Gee, Inc. v. Myra Hogan, Inc.*, 699 F.2d 621, 625 (2d Cir. 1983) (construing New York dilution statute). *See also American Express Co. v. Vibra Approved Labs*, 10 U.S.P.Q.2d 2006, 2012 (S.D.N.Y. 1989) ("Dilution is an amorphous concept").

[11] *I.P. Lund Trading ApS v. Kohler Co.*, 163 F.3d 27, 50 (1st Cir. 1998) ("A broad reading of dilution would bring us close to the constitutional edge, and we decline to attribute such brinkmanship to Congress, and so insist on a rigorous review."). *See also Restatement (Third) of Unfair Competition* § 25 cmt. b (1995) (Courts have recognized "that broad interpretation of the statutes would undermine the balance between private and public rights reflected in the traditional limits of trademark protection.").

[12] *Coffee Dan's Inc. v. Coffee Don's Charcoal Broiler*, 305 F. Supp. 1210, 1217 n.13 (9th Cir. 1969) (construing California's dilution statute) (cited in *Toho Co. v. Sears Roebuck & Co.*, 645 F.2d 788, 793 (9th Cir. 1981)).

commercial use . . . of a mark . . . causes dilution of the distinctive quality of the famous mark." 15 U.S.C. § 1125(c)(i). This "causes dilution" language plainly imposes on a plaintiff a burden to show the present actual existence of dilution, which is significantly different from showing only a "likelihood of dilution."

Second, the FTDA's "lessening of the capacity" of the senior mark "to identify and distinguish goods and services" is what has been recognized by courts and writers alike as the "injury to the mark's selling power" that must be proven to establish dilution. *See Clinique Labs., Inc. v. Dep Corp.*, 945 F. Supp. 547, 562 (S.D.N.Y. 1996) (construing the FTDA and stating that "blurring is concerned with an injury to the mark's selling power"); *Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. B.E. Windows*, 937 F. Supp. 204, 211 (S.D.N.Y. 1996) ("Blurring [under the FTDA] involves an injury to the mark's selling power . . . ."); *Sally Gee, Inc. v. Myra Hogan, Inc.*, 699 F.2d 621, 624-25 (2d Cir. 1983) ("The interest protected by [the New York dilution statute] is . . . the selling power that a . . . mark . . . has engendered for a product in the mind of the consuming public."); *I.P. Lund Trading ApS v. Kohler Co.*, 163 F.2d 27, 49 (1st Cir. 1998) (quoting Kliegler, *Trademark Dilution: The Whittling Away of the Rationale Basis for Trademark Protection*, 58 U. Pitt. L. Rev. 789, 826-27 (1997), that the key issue in dilution is "whether a particular junior use will debilitate the selling power of a mark"); *American Cyanamid Co. v. Nutraceutical Corp.*, No. Civ.A. 97-2018, 1999 WL 397723 at *11 (D.N.J. May 28, 1999) (expressly "adopt[ing] the standard enunciated by the [circuit] court in Ringling," including its requirement number (3) of " 'an actual lessening of the senior mark's selling power, expressed as "its capacity to identify and distinguish goods or services." ' ").

Thus, when the Fourth Circuit identified as the third element of dilution "an actual lessening of the senior mark's selling power, expressed as 'its capacity to identify and distinguish goods or services' " (Pet. App. 19a), the court was squarely in line with accepted doctrine.[13]

That an FTDA claimant must prove an injury to the senior mark's selling power is one of the few things the parties and the courts in this case had all agreed on. The statement in *Clinique* that blurring is "concerned with an injury to the mark's selling power" was quoted by Petitioner itself in closing argument in the district court (App. 1a), in Petitioner's opening brief to the Fourth Circuit (App. 3a) and in the district court's opinion (Pet. App. 50a, n.9). That expression is virtually identical to the standard of the circuit court,[14] to which Petitioner now objects.

Third, Petitioner inaccurately states that the "Fourth Circuit was simply incorrect in assuming that state dilution laws uniformly include the 'likelihood of dilution' language." Pet. 22. The Fourth Circuit made no such assumption. The court stated that "[t]hough they of course varied in detail, the state statutes [in existence when the FTDA was passed] *typically had* four features of relevance for our interpretive purposes: . . . 2) they proscribed not just actual consummated dilution, but the likelihood of dilution." Pet. App. 9a-10a (emphasis added). Indeed, the 1992 model state act included the "likelihood of dilution" language, as of 1994 approximately twenty-six states had adopted that model act or a substantially similar provision and the "likelihood of

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13 There can be no legitimate objection to the word "actual" in the circuit court's standard. It is an appropriate requirement that dilutive harm be more than imaginary.

14 *See* Pet. App. 19a and 26a.

dilution" language still appears in many state dilution statutes. *See* McCarthy, *supra*, §§ 24.80 & 24.90. The statutes of the three states that had generated the bulk of the state dilution cases, New York, Illinois and California, had in them the "likelihood of dilution" language.[15] More salient than Petitioner's citation of 14 state dilution laws that do not contain the "likelihood of dilution" language,[16] only four of those laws that now include the term "causes dilution" took effect before the April 17, 1996 enactment of the FTDA—the statutes for Connecticut, Iowa, New Jersey and South Carolina.

Whatever may be said of "infections" and "bee stings," it must also be said that the FTDA expressly requires a claimant to show that "another person's [singular] . . . use . . . of a mark . . . causes dilution." 15 U.S.C. § 1125(c)(1) (1998). In any event, ours is a system of individual justice, and a defendant could not constitutionally be held vicariously liable for the conjectural future acts of others based on generalized metaphors.

The gloss courts have placed on trademark infringement provisions in the Lanham Act is inapplicable to the FTDA since "[d]ilution is separate and distinct from trademark infringement." *Luigino's Inc. v. Stouffer Corp.*, 170 F.3d 827, 832 (8th Cir. 1999) (addressing the

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[15] *See* N.Y. Gen. Bus. Law, § 368-d ("Likelihood . . . of dilution") (quoted in *Sally Gee, Inc. v. Myra Hogan, Inc.*, 699 F.2d 621, 624 (1983)); Ill. Rev. Stat. ch. 140 § 22 ("likelihood . . . of dilution") (quoted in *Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Celozzi-Ettelson*, 855 F.2d 480, 483 (7th Cir. 1988)); Cal. Bus. & Prof. Code § 14330 (West Supp. 1980) ("Likelihood . . . of dilution") (quoted in *Toho Co., Ltd. v. Sears, Roebuck & Co.*, 645 F.2d 788, 793 (1981)). The New York statute was transferred to N.Y. Gen. Bus. Law § 360-e in 1996 and a new Illinois statute employing the phrase "causes dilution" was enacted in 1998. *See* 765 Ill. Comp. Stat. 1036/65.

[16] Pet. 22 & n.16.

FTDA). The FTDA does not provide more or less protection than prior trademark law, but a different kind of protection. As an illustration, the six Sweet factors that were drawn from trademark law are now being recognized as inapplicable to the FTDA.

Contrary to Petitioner's assertion, the circuit court did not say that proving dilution under its standard will be "extraordinarily" difficult. Pet. 26. The court did say that "[p]roof will be difficult, because actual, consummated dilutive harm and its causes are difficult concepts." Pet. App. 33a. But it added that "the concept is a substantively viable one, and the means of proof are available." *Id.* Extending assistance to potential claimants, the court specifically directed them to the kinds of proof that would be probative. *Id.*

It was Congress and not the court that reserved injunctive relief for claimants who established that another person's use of a mark "causes dilution" by "lessening the capacity" of the senior mark "to identify and distinguish goods or services." Upon showing already existing dilution, a claimant is entitled to injunctive relief.

III. THE COURT SHOULD DECLINE REVIEW OF THE CIRCUIT COURT'S DENIAL OF PETITIONER'S JURY DEMAND

Regardless of just what dilution standard is applied, Petitioner's evidence was insufficient to create a genuine issue of material fact on willful intent, a prerequisite for a jury under the FTDA. *See* Pet. App. 78a. Petitioner's first of two proffers of evidence was that Respondent had produced for Ski-Utah [17] membership plaques, and not for resale, a run of 500 ski replicas each approximately three

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[17] Ski-Utah is an association of government and private entities that promotes tourism in Utah.

feet long that bore the words "SKI UTAH 'THE GREATEST SNOW ON EARTH!' " and also a one-half inch long depiction of the five-ring symbol of the International Olympic Committee. C.A. App. A-125-26. The Fourth Circuit correctly ruled that this use of the allegedly diluting mark, standing alone, does not constitute willful intent. Pet. App. 36a. Petitioner's second proffer was that Utah knew of Petitioner's mark before Utah adopted its mark and that the marks were, in Petitioner's view, strikingly similar. However, the circuit court correctly agreed with the district court that "Utah's adoption and use of its mark notwithstanding its knowledge of Ringling's mark is 'as consistent with a belief that Utah's mark does not dilute as . . . with an allegation of "willful intent." ' " Pet. App. 36a.

Petitioner's demand for a jury was properly declined by the district court on the alternative ground that Petitioner "failed to introduce any evidence of actual damages" (Pet. App. 78a and 36a), leaving only a claim for injunctive relief, for which there is no right to a jury trial. Pet. App. 78a and authorities cited.[18]

Petitioner's jury-trial argument based on the premise that the Fourth Circuit's interpretation of dilution was in error fails also because, as shown above, the Fourth Circuit's interpretation of dilution was not in error.

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[18] Petitioner did not seek an accounting at trial and the argument in Petitioner's footnote 18 regarding an accounting was never made in the trial court or in the circuit court and is not properly presented for the first time here. Petitioner's argument in the circuit court that a "reasonable royalty" should be awarded as monetary relief in lieu of actual damages not only is in conflict with the FTDA, but also was not asserted in the trial court or in the petition, and is therefore not in issue.

CONCLUSION

The petition for certiorari should be denied.

Respectfully submitted,

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July 1999

APPENDICES

APPENDIX A

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
Alexandria Division

Civil Action 96-788-A

RINGLING BROTHERS, BARNUM AND BAILEY COMBINED SHOWS,
Plaintiff,

v.

UTAH DIVISION OF TRAVEL DEVELOPMENT,
Defendant.

REPORTER'S TRANSCRIPT

BENCH TRIAL

VOLUME 2 OF 2

Tuesday, February 2, 1997

* * * *

[ARGUMENT OF RINGLING BROTHERS COUNSEL]

[57] [ATTORNEY POKOTILOW]: I would also note that, of course, Clinique speaks to the blurring that's concerned with an injury to the mark's selling power.

* * * *

[77] ATTORNEY POKOTILOW: Okay. And I am about to deal with these issues, your Honor.

Now, in the testimony, when we talk about the injunction that we are seeking here, we look for prospective

relief, and we believe that the defendants would have the right, based on their prior use before the [78] statute, to certain activities that they have proven in this Court, and only those that they have proven in this Court.

* * * *

The third evidence that they put in was that for the last three years they have used it on hats, [79] T-shirts and sweatshirts, but only with "Ski Utah" on it, only for Ski Utah, only by Utah merchants, sold in Utah. Those are the only three areas that they have proved they have used it.

* * * *

APPENDIX B

[Excerpt from Brief of Plaintiff-Appellant Filed on June 10, 1997 in the United States Court of Appeals for the Fourth Circuit, Docket No. 97-1399, at 15]

* * * *

The type of dilution at issue in this case is "blurring." [7] Dilution by blurring is concerned with an injury to the "value of a mark," *Celozzi*, 855 F.2d at 484, or, to put it another way, "the mark's selling power." *Clinique*, 945 F. Supp. at 562 (quoting *Hormel Foods Corp. v. Jim Henson Prod.*, 73 F.3d 497, 506 (2d Cir. 1996)). . . .

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